



Director of  
Central  
Intelligence

*oco cable editor*

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# National Intelligence Daily (Cable)

30 April 1982

**Top Secret**

CPAS NIDC 82-101C

30 April 1982

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UK-ARGENTINA: Diplomatic Foot-Dragging

*The Thatcher government yesterday reiterated its willingness to negotiate but asserted that the next move was up to Buenos Aires. Although the Argentine Government rejected Secretary of State Haig's plan, it said it was open to some other approach.*

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//Prime Minister Thatcher yesterday stressed to Parliament that military moves were taken to back up diplomatic efforts and described the military response as "measured and controlled." She also rejected the suggestion that the dispute be referred to the International Court of Justice, noting that in the past Argentina has refused to recognize the court's jurisdiction. In addition, she expressed her continuing confidence in Secretary Haig's mediation efforts.//

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The Argentine official news agency reported that Buenos Aires has told the US that its latest proposals for resolving the crisis are unsatisfactory and require further clarification.

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//Argentina's answer reflects the government's conviction that it cannot back down on the sovereignty issue. The Argentines' willingness to remain in negotiations is a continuation of stalling tactics intended to place London in an embarrassing diplomatic position if a British attack takes place.//

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CHAD: Mounting Tensions

*Factional tensions are increasing in N'Djamena as some Nigerian peacekeeping troops begin to leave Chad and President Goukouni plans to purge his cabinet in hopes of strengthening his position.*

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Goukouni reportedly intends to make changes in his coalition government in the next few days. The southern faction, which leans toward negotiating with Habre, would be ousted, and the regime would be given a more "progressive," pro-Libyan cast in order to encourage renewed military assistance by Tripoli.

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Comment: Although the impending rainy season is offered by Lagos as the reason for withdrawing its exposed battalion, the Nigerians believe the withdrawal will bring pressure on Goukouni to negotiate with Habre. They also may hope that Goukouni is replaced by a more flexible leader.

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If Goukouni goes through with his reorganization, it could backfire and cause more confusion and division in N'Djamena. As fears mount of a possible occupation of the capital by Habre, Western residents could become targets of harassment.

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IRAN-IRAQ: Iranian Attack Imminent

*The new offensive Iran has been preparing probably will be launched within the next few days.* [REDACTED]

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[REDACTED] Baghdad alleged yesterday that its Air Force bombed Iran's major oil export terminal at Khark Island.// [REDACTED]

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The Iranians probably will try to seize the cross-roads at Seyyed Abud and then advance on the Ahvaz-Khorramshahr road. Unless the Iraqis move additional forces into the area they are likely to suffer another defeat. [REDACTED]

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Iraq's claim to have bombed Khark Island is unconfirmed. Even ineffective airstrikes, however, could discourage incoming tankers. Iran is currently exporting at least 1.5 million barrels per day of oil. [REDACTED]

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INTERNATIONAL: UN Session on Disarmament

*//Radical members of the committee preparing for the special session on disarmament to be held at the UN in June probably will demand that language be included in the final document of the session accusing the US and the USSR of lack of interest in disarmament.//*

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//The 78-nation committee began meeting in New York on Monday. Its main purpose during the next two weeks is to discuss some of the substantive issues reviewed recently in Geneva by the Committee on Disarmament. One of the most controversial of these issues is a complex draft comprehensive program on disarmament.//

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//The Western nations successfully blocked some of the less realistic proposals in Geneva. The radical states, however, will have greater representation in New York.//

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Comment: //Efforts to achieve a more balanced approach will have little appeal for many of the nonaligned nations. Brazil, Sweden, Sri Lanka, and others, however, are serious about achieving arms control progress in multilateral channels, and they may be willing to work for a compromise.//

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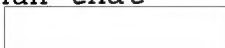


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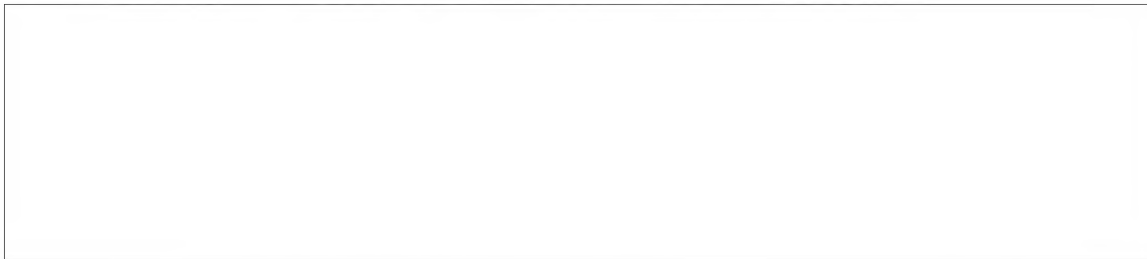
# JAPAN - SOUTH KOREA: Aid Discussions

*Tokyo and Seoul are entering a new stage in the drawn out negotiations on South Korea's request for \$6 billion for its development plans for 1982-86.* 


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Prime Minister Suzuki has set the total amount of aid Japan is prepared to offer at \$4 billion. The offer was conveyed to Seoul yesterday in the hope that Suzuki's direct intervention would convince President Chun that the \$4 billion package is Japan's best offer. 

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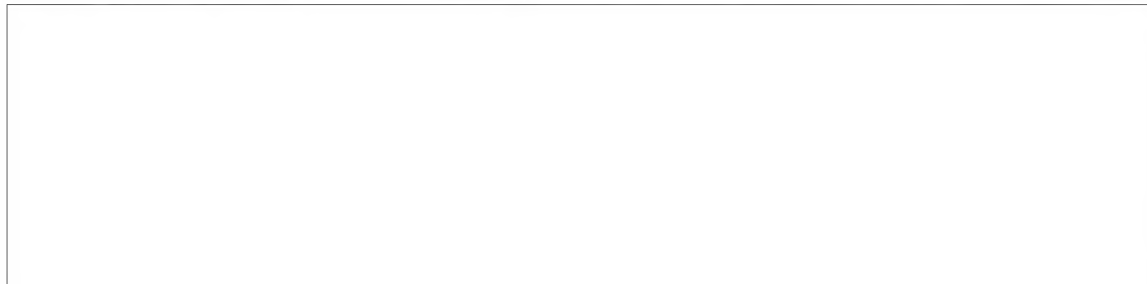



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Comment: The official development assistance probably will not exceed \$1.5 billion in concessional loans--about \$300 million a year compared with \$200 million committed in 1980. Export-Import Bank loans will make up the rest. 

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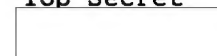
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//There is some risk that either Tokyo or Seoul could overreact, inject greater tension into the relationship, and delay resolution of the aid issue. Both have discussed this issue with Washington in the past and may seek to engage the US again if an impasse develops.// 

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POLAND: Tests of Regime Control

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The May Day festivities planned for tomorrow are causing concern among the authorities, who fear Solidarity activists will disrupt the official celebrations. [REDACTED]

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[REDACTED] Meanwhile, large crowds are expected to converge on Czestochowa in southern Poland this weekend for the start of a month-long religious celebration of the country's patron saint. [REDACTED]

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Comment: The large crowds gathered in many parts of the country will offer Solidarity activists opportunities for some protest actions. The regime, however, will maintain tight control to ensure that the proceedings do not get out of hand. The Church also will make special efforts to prevent its celebrations from being used as a political springboard. [REDACTED]

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IRAN: Succession Prospects

The dominant hardline clerics appear to be moving toward resolution of the succession issue, having discredited Ayatollah Shariat-Madari, their leading moderate clerical opponent. Ayatollah Khomeini's son told a Tehran daily on Wednesday that Ayatollah Montazeri, long the presumed heir, "will undoubtedly have the future leadership of the revolution." [REDACTED]

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Comment: The statement by Khomeini's son is the strongest indication so far that Montazeri's succession has received the approval of Khomeini and other top clerics. Montazeri, however, lacks Khomeini's dominant authority. Even if he were to be formally selected to succeed Khomeini, real power probably would be in the hands of President Khamenei, Assembly Speaker Rafsanjani, and activist clerics in Qom. [REDACTED]

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**BELGIUM-USSR: COCOM Embargo Violation**

Belgium plans to export a COCOM-controlled machining center to the USSR despite the embargo in sales of high-technology equipment to the Soviets. Brussels had warned that it would proceed with the sale if it did not receive COCOM approval by 20 April. Belgium withdrew the case from COCOM and announced its intention to proceed with the sale, even though only Norway, France, West Germany, and Turkey had approved the sale by that date. [REDACTED]

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Comment: The limited enthusiasm of COCOM members for the embargo evidently has continued to wane since its beginnings in 1980. Belgium's action, however, is the first overt defiance of this COCOM embargo by a participating country. The Belgians probably are approving the sale to help the selling firm, which is in deep financial trouble. [REDACTED]

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SPECIAL ANALYSIS

SOUTH AFRICA: Strategy for Racial Reform

*Prime Minister Botha will continue to have difficulty moving forward with racial reforms, despite the recent ouster of several rightwing opponents from the National Party. This summer Botha will propose constitutional amendments giving Coloreds and Asians limited representation in parliament, but the proposals will be criticized by both conservative Afrikaners and Colored and Asian leaders. The debate over these reforms will further polarize South African society and alienate urban blacks, whose demands for national political representation will not be addressed.*

The Prime Minister believes that the 3.5 million Coloreds and Asians can become political allies of the country's 4.5 million whites. In addition to limited representation in parliament Botha possibly is prepared to offer the two groups a role in the cabinet. Any such steps to reduce white political control, however, would be anathema to many rightwing Afrikaners.

Concessions to Rightwingers

Andries Treurnicht and other members of the new Conservative Party have been drawing large crowds at public rallies, and Botha will proceed slowly with his reform agenda while he tests white tolerance for change. He probably will first seek support for his proposals at the National Party's congress in July before presenting them to parliament.

Although Botha eventually will win support from his party for a reform package, he may have to make several concessions to prevent additional conservative National Party members from defecting to Treurnicht. Botha recently suggested his willingness to compromise, when he hinted in a speech to parliament, that it may take several years to phase Coloreds and Asians into even nominal roles in the national government.

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## Colored and Asian Response

Concessions to the conservative elements of the party will make it more difficult for the government to gain acceptance of its proposals from Coloreds and Asians, who have become increasingly radical in recent years. Influential spokesmen for the two groups are already unhappy with the government's unwillingness to discuss reform proposals directly with them. They believe that the Prime Minister is taking Colored and Asian acceptance for granted. [REDACTED]

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Even those Colored and Asian leaders who are willing to work with Botha have rejected the notion of separate parliaments for their two groups. Instead they demand representation with whites in a single legislature--a move opposed by many conservative Afrikaner politicians. [REDACTED]

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Many Coloreds and Asians identify with blacks, and their leaders also will demand that the government make some concessions on black issues in return for their acceptance of the new proposals. Botha, however, will point to the split in the National Party over the Colored and Asian issue as proof that he can go no further on the reform question without risking a white backlash. [REDACTED]

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## Prospects

The proposals for the inclusion of Coloreds and Asians in parliament will be debated for some months, but this debate will largely ignore the key question of black political rights. White, Colored, and Asian moderates probably will reach some agreement eventually, but the most significant effect of the changes will be to polarize South African society further. [REDACTED]

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Whatever agreement is reached, radical Coloreds and Asians--mostly students, academics, and labor activists--will accuse their leaders of selling out. Treurnicht and other conservative Afrikaner politicians will attempt to attract public support for their parties by exaggerating the effects of Botha's policies. [REDACTED]

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The government may attempt to allay black demands by offering urban blacks greater autonomy over local affairs. Most blacks, however, will continue to work for some form of national political representation. [REDACTED]

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